

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 672

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO URBAN RENEWAL; AMENDING SECTION 50-2002, IDAHO CODE, TO PROVIDE ADDITIONAL FINDINGS AND DECLARATIONS OF NECESSITY; AMENDING SECTION 50-2006, IDAHO CODE, TO REVISE STATUTORY PROVISIONS REGARDING AN URBAN RENEWAL AGENCY AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 50-2007, IDAHO CODE, TO REVISE POWERS OF URBAN RENEWAL AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 50-2008, IDAHO CODE, TO PROVIDE NOTICE, TO PROVIDE FOR PUBLIC COMMENTS, TO PROVIDE FOR A HEARING AND TO PROVIDE FOR CONSIDERATION OF PUBLIC COMMENTS AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 50-2010, IDAHO CODE, TO REVISE PROCEDURES FOR ACQUISITION OF PROPERTY; AMENDING SECTION 50-2011, IDAHO CODE, TO REVISE PROCEDURES FOR DISPOSAL OF PROPERTY IN AN URBAN RENEWAL AGENCY AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 50-2012, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE ISSUANCE OF BONDS AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 50-2017, IDAHO CODE, TO REVISE PROVISIONS ON INTERESTED PUBLIC OFFICIALS, COMMISSIONERS OR EMPLOYEES; AMENDING SECTION 50-2027, IDAHO CODE, TO REVISE THE LENGTH OF A CERTAIN PERIOD, TO REMOVE A CODE REFERENCE, TO CORRECT A CODIFIER'S ERROR AND TO MAKE A TECHNICAL CORRECTION; AMENDING CHAPTER 20, TITLE 50, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 50-2033, IDAHO CODE, TO PROVIDE FOR A PROHIBITED AMENDMENT TO AN URBAN RENEWAL PLAN AND TO PROVIDE FOR AMENDMENTS TO AN URBAN RENEWAL PLAN; AMENDING CHAPTER 20, TITLE 50, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 50-2035, IDAHO CODE, TO PROVIDE FOR TAX AND SPECIAL ASSESSMENT EXEMPTIONS; AMENDING SECTION 50-2903, IDAHO CODE, TO REVISE DEFINITIONS AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 50-2904, IDAHO CODE, TO REVISE THE AUTHORITY TO CREATE A REVENUE ALLOCATION AREA AND TO PROVIDE FOR RETURN OF CERTAIN MONEYS TO TAXING DISTRICTS; AMENDING SECTION 50-2905, IDAHO CODE, TO PROVIDE FOR A STATEMENT DESCRIBING A CERTAIN VALUE; AMENDING SECTION 50-2906, IDAHO CODE, TO REVISE PUBLIC HEARING AND ORDINANCE REQUIREMENTS; AMENDING SECTION 50-2907, IDAHO CODE, TO REVISE REQUIREMENTS FOR FILING CERTAIN INFORMATION WITH THE STATE TAX COMMISSION; AMENDING SECTION 50-2908, IDAHO CODE, TO REVISE PROVISIONS RELATING TO AN AMENDMENT TO THE BOUNDARIES AND REVENUE ALLOCATION AREAS; AMENDING SECTION 50-2911, IDAHO CODE, TO REVISE LIMITATIONS ON REVIEW; PROVIDING SEVERABILITY; AND PROVIDING EFFECTIVE DATES.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 50-2002, Idaho Code, be, and the same is hereby amended to read as follows:

50-2002. FINDINGS AND DECLARATIONS OF NECESSITY. It is hereby found and declared that there exist in municipalities of the state deteriorated and deteriorating areas (as herein defined) which constitute a serious and

growing menace, injurious to the public health, safety, morals and welfare of the residents of the state; that the existence of such areas contributes substantially and increasingly to the spread of disease and crime, constitutes an economic and social liability imposing onerous municipal burdens which decrease the tax base and reduce tax revenues, substantially impairs or arrests the sound growth of municipalities, retards the provision of housing accommodations, aggravates traffic problems and substantially impairs or arrests the elimination of traffic hazards and the improvement of traffic facilities; and that the prevention and elimination of these conditions is a matter of state policy and state concern in order that the state and its municipalities shall not continue to be endangered by areas which are focal centers of disease, promote juvenile delinquency, and consume an excessive proportion of its revenue because of the extra services required for police, fire, accident, hospitalization and other forms of public protection, services and facilities.

It is further found and declared that certain of such areas, or portions thereof, may require acquisition, clearance, and disposition subject to use restrictions, as provided in this act, since the prevailing condition of decay may make impracticable the reclamation of the area by conservation or rehabilitation; that other areas or portions thereof may, through the means provided in this act, be susceptible of conservation or rehabilitation in such a manner that the conditions and evils hereinbefore enumerated may be eliminated, remedied or prevented; and that salvageable areas can be conserved and rehabilitated through appropriate public action as herein authorized, and the cooperation and voluntary action of the owners and tenants of property in such areas.

It is further found and declared that the powers conferred by this act are for public uses and purposes for which public money may be expended as herein provided and the power of eminent domain and police power exercised; and that the necessity in the public interest for the provisions herein enacted is hereby declared as a matter of legislative determination.

It is further found and declared that the urban renewal agency created by this act is an independent body public corporate and politic and within the meaning of section 1, article VIII of the constitution of the state of Idaho; that accordingly an urban renewal agency created by this act has no power to levy taxes or obligate the general fund of the state; and the debts or liabilities of an urban renewal agency are not debts or liabilities of the municipality, other affected taxing districts or the state of Idaho.

SECTION 2. That Section 50-2006, Idaho Code, be, and the same is hereby amended to read as follows:

50-2006. URBAN RENEWAL AGENCY. (a) There is hereby created in each municipality an urban renewal agency which shall constitute an independent public body corporate and politic to be known as the "urban renewal agency" for the municipality; provided, that such agency shall not transact any business or exercise its powers hereunder until or unless the local governing body has made the findings prescribed in section 50-2005, Idaho Code. The agency, by adoption of bylaws, may designate under what name it shall transact the powers and authorities granted in this chapter.

(b) Upon the local governing body making such findings, the urban renewal agency is authorized to transact the business and exercise the powers hereunder by a board of commissioners to be appointed or designated as follows:

(1) The mayor, by and with the advice and consent of the local governing body, shall appoint a board of commissioners of the urban renewal agency which shall consist of not less than three (3) commissioners nor more than nine (9) commissioners. At least one (1) of the appointed commissioners on an agency board consisting of three (3) or four (4) commissioners shall be a resident and elector of the area of operation, at least two (2) of the appointed commissioners on an agency board consisting of five (5) or six (6) commissioners shall be residents and electors of the area of operation and at least three (3) of the appointed commissioners on an agency board consisting of seven (7), eight (8) or nine (9) commissioners shall be residents and electors of the area of operation. Members of the local governing body or the mayor may be appointed to the agency board provided that for an agency board consisting of three (3) or four (4) commissioners, only one (1) commissioner may be a member of the local governing body or the mayor, and for an agency board consisting of five (5), six (6), seven (7), eight (8) or nine (9) commissioners, only two (2) commissioners may be members of the local governing body or the mayor. Provided however, in a municipality having a population of less than seven thousand five hundred (7,500) persons, according to the most recent census within the state of Idaho, the limitation on the number of members of the local governing body or the mayor that may serve as commissioners does not apply. As used in this chapter "area of operation" shall have the same meaning as provided for in section 50-2018, Idaho Code. In the order of appointment, the mayor shall designate the number of commissioners to be appointed, and the term of each, provided that the ~~original~~ term of office of no more than two (2) commissioners or three (3) commissioners for boards consisting of more than five (5) commissioners shall expire in the same year. Beginning with appointment to the board after January 1, 2011, the commissioners shall serve ~~for terms not to exceed five~~ three (3) years ~~terms~~, from the date of appointment, except that all vacancies shall be filled for the unexpired term. Each commissioner shall hold office until his successor has been appointed and has qualified. Any successor appointment shall be made by the mayor, by and with the consent of the local governing body, within sixty (60) days of a vacancy occurring. A certificate of the appointment or reappointment of any commissioners shall be filed with the clerk of the municipality and such certificate shall be conclusive evidence of the due and proper appointment of such commissioner. For terms commencing after January 1, 2011, no person shall be appointed to serve more than two (2) full consecutive terms without specific concurrence by two-thirds (2/3) of the local governing body adopted by motion and recorded in the minutes. Vacancies occurring otherwise than through the expiration of terms shall be filled in the same manner as the original appointment.

(2) A commissioner shall serve at the pleasure of the mayor and city council. For inefficiency or neglect of duty or misconduct in office,

1 a commissioner may be removed by the mayor or local governing body only
 2 after a hearing and after he before the mayor or local governing body and
 3 by majority vote of the local governing body or mayor. The commissioner
 4 subject to removal shall have been given a copy of the charges reasons at
 5 least ten (10) days prior to such hearings and shall have had an oppor-
 6 tunity to be heard in person or by counsel. Notwithstanding the forego-
 7 ing, the mayor or the city council by majority vote may remove not more
 8 than one (1) commissioner every six (6) months with no cause given.

9 ~~(2) By enactment of an ordinance, the local governing body may appoint~~
 10 ~~and designate itself to be the board of commissioners of the urban re-~~
 11 ~~newal agency, in which case all the rights, powers, duties, privileges~~
 12 ~~and immunities vested by the urban renewal law of 1965, and as amended,~~
 13 ~~in an appointed board of commissioners, shall be vested in the local~~
 14 ~~governing body, who shall, in all respects when acting as an urban re-~~
 15 ~~newal agency, be acting as an arm of state government, entirely separate~~
 16 ~~and distinct from the municipality, to achieve, perform and accomplish~~
 17 ~~the public purposes prescribed and provided by said urban renewal law of~~
 18 ~~1965, and as amended.~~

19 ~~(3) By enactment of an ordinance, the local governing body may ter-~~
 20 ~~minate the appointed board of commissioners and thereby appoint and~~
 21 ~~designate itself as the board of commissioners of the urban renewal~~
 22 ~~agency. Each appointed commissioner shall file with the secretary of~~
 23 ~~state a financial disclosure statement by April 15 of each year. Such~~
 24 ~~statement applies to the appointed commissioner and that person's~~
 25 ~~spouse, and shall include the following information: (a) full name;~~
 26 ~~(b) statement that the appointed commissioner and that person's spouse~~
 27 ~~are not seeking bankruptcy protection; and (c) must disclose if the~~
 28 ~~commissioner or the commissioner's spouse has a pecuniary interest or~~
 29 ~~owns real property in the urban renewal area. If a pecuniary interest~~
 30 ~~is disclosed, the commissioner shall be subject to the provisions of~~
 31 ~~section 50-2017, Idaho Code.~~

32 (c) A commissioner shall receive no compensation for his services but
 33 shall be entitled to the necessary expenses, including traveling expenses,
 34 incurred in the discharge of his duties. ~~Each commissioner shall hold office~~
 35 ~~until his successor has been appointed and has qualified. A certificate of~~
 36 ~~the appointment or reappointment of any commissioner shall be filed with the~~
 37 ~~clerk of the municipality and such certificate shall be conclusive evidence~~
 38 ~~of the due and proper appointment of such commissioner.~~

39 (d) The powers of an urban renewal agency shall be exercised by the com-
 40 missioners thereof. A majority of the commissioners shall constitute a quo-
 41 rum for the purpose of conducting business and exercising the powers of the
 42 agency and for all other purposes. Action may be taken by the agency upon a
 43 vote of a majority of the commissioners present, unless in any case the by-
 44 laws shall require a larger number.

45 (e) The mayor may initially appoint a chairman, ~~a cochairman, or a vice~~
 46 ~~chairman~~ for a term of office of one (1) year from among the commissioners,
 47 thereafter the commissioners shall elect the chairman, ~~cochairman or vice~~
 48 ~~chairman~~ and any other officers as the bylaws may require for a term of one
 49 (1) year from among their members. An agency may employ an executive direc-
 50 tor, technical experts and such other agents and employees, permanent and

temporary, as it may require, and determine their qualifications, duties and compensation. For such legal service as it may require, an agency may employ or retain its own counsel and legal staff.

(f) (1) An agency authorized to transact business and exercise powers under this chapter shall file, with the local governing body, and the state tax commission on or before March 31 of each year a report of its activities for the preceding ~~calendar~~ fiscal year, which report shall include a complete financial statement setting forth its assets, liabilities, income and operating expense as of the end of such ~~calendar~~ fiscal year and a financial summary setting forth the agency's revenues and expenses. The report shall also include the agency's contact information, and the name, address and telephone number of each commissioner. At the time of filing the report, the agency shall publish in a newspaper of general circulation in the community a notice to the effect that such report has been filed with the ~~municipality~~ local governing body and the state tax commission and that the report is available for inspection during business hours in the office of the city clerk or county recorder and clerk, in the office of the agency and at the state tax commission.

(2) In addition to paragraph (1) of this subsection, an urban renewal agency shall publish in a newspaper of general circulation in the community the financial summary required to be prepared pursuant to the provisions of paragraph (1) of this subsection, on or before March 31 of each year. All published financial summaries shall include the following: "The complete financial statement is available for inspection during business hours in the office of the city clerk or county clerk, in the office of the agency and at the state tax commission."

(3) Any person affected by a violation of the provisions of paragraph (1) or (2) of this subsection may commence a civil action in the magistrate division of the district court of the county in which the agency ordinarily meets, for the purpose of requiring compliance with the provisions of paragraph (1) or (2) of this subsection. No private action brought pursuant to this paragraph shall result in the assessment of a civil penalty against any member of the agency and there shall be no private right of action for damages arising out of any violation of the provisions of paragraph (1) or (2) of this subsection. Any suit brought for the purpose of requiring compliance with the provisions of paragraph (1) or (2) of this subsection shall be commenced within ninety (90) days of March 31.

(4) An agency that fails to comply with the provisions of paragraph (1) or (2) of this subsection shall be subject to a civil penalty not to exceed one hundred fifty dollars (\$150).

(5) An agency that fails to comply with the provisions of paragraph (1) or (2) of this subsection and has previously admitted to committing or has been previously determined to have committed a violation of the provisions of paragraph (1) or (2) of this subsection within the twelve (12) months preceding this subsequent violation shall be subject to a civil penalty not to exceed three hundred dollars (\$300).

(dg) (1) An urban renewal agency shall have the same fiscal year as a municipality and shall be subject to the ~~same~~ audit requirements as

1 a municipality as set forth in section 67-450B, Idaho Code. An urban
 2 renewal agency shall be required to prepare and file ~~with its local~~
 3 ~~governing body an annual financial report and shall prepare, approve~~
 4 ~~and adopt an annual budget for filing with the local governing body, for~~
 5 ~~informational purposes~~ an audit report as required by section 67-450B,
 6 Idaho Code.

7 (2) The agency shall also prepare and adopt an annual budget for fil-
 8 ing with the local governing body for informational purposes complying
 9 with the provisions of section 50-1002, Idaho Code. Such budget shall
 10 be filed by September 30 of each calendar year with the exception of a
 11 budget for the fiscal year immediately predating the termination date
 12 for an urban renewal plan involving a revenue allocation area or will
 13 include the termination date which shall be filed by September 1 of that
 14 year. A budget means an annual estimate of revenues and expenses for the
 15 following fiscal year of the agency.

16 (eh) An urban renewal agency shall comply with the public records law
 17 pursuant to chapter 3, title 9, Idaho Code, open meetings law pursuant to
 18 chapter 23, title 67, Idaho Code, the ethics in government law pursuant to
 19 chapter 7, title 59, Idaho Code, the classification and retention of municipi-
 20 pal records pursuant to chapter 9, title 50, Idaho Code, and the competitive
 21 bidding provisions of chapter 28, title 67, Idaho Code.

22 (i) The passage of every resolution or action to enter into a contract
 23 or agreement, to approve and adopt an annual budget, to approve and adopt ap-
 24 propriations and payables and to approve all bonds, obligations or liabil-
 25 ities shall be by roll call of the board with the yea or nay of each being
 26 recorded. All other matters do not require a roll call vote unless otherwise
 27 stated in the bylaws.

28 SECTION 3. That Section 50-2007, Idaho Code, be, and the same is hereby
 29 amended to read as follows:

30 50-2007. POWERS. Every urban renewal agency shall have all the powers
 31 necessary or convenient to carry out and effectuate the purposes and pro-
 32 visions of this act, including the following powers in addition to others
 33 herein granted:

34 (a) to undertake and carry out urban renewal projects and related ac-
 35 tivities within its area of operation; and to make and execute contracts and
 36 other instruments necessary or convenient to the exercise of its powers un-
 37 der this act; and to disseminate slum clearance and urban renewal informa-
 38 tion;

39 (b) to provide or to arrange or contract for the furnishing or repair
 40 by any person or agency, public or private, of services, privileges, works,
 41 streets, roads, public utilities or other facilities for or in connection
 42 with an urban renewal project; to install, construct, and reconstruct
 43 streets, utilities, parks, playgrounds, off-street parking facilities,
 44 public facilities, other buildings or public improvements; and any im-
 45 provements necessary or incidental to a redevelopment project; and to agree
 46 to any conditions that it may deem reasonable and appropriate attached to
 47 federal financial assistance and imposed pursuant to federal law relating to
 48 the determination of prevailing salaries or wages or compliance with labor
 49 standards, in the undertaking or carrying out of an urban renewal project and

1 related activities, and to include in any contract let in connection with
 2 such a project and related activities, provisions to fulfill such of said
 3 conditions as it may deem reasonable and appropriate;

4 (c) within its area of operation, to enter into any building or prop-
 5 erty in any urban renewal area in order to make inspections, surveys, ap-
 6 praisals, soundings or test borings, and to obtain, upon sufficient cause
 7 and after a hearing on the matter, an order for this purpose from a court of
 8 competent jurisdiction in the event entry is denied or resisted; to acquire
 9 by purchase, lease, option, gift, grant, bequest, devise, eminent domain or
 10 otherwise, any real property (or personal property for its administrative
 11 purposes) together with any improvements thereon; to hold, improve, reno-
 12 vate, rehabilitate, clear or prepare for redevelopment any such property or
 13 buildings; to mortgage, pledge, hypothecate or otherwise encumber or dis-
 14 pose of any real property; to insure or provide for the insurance of any real
 15 or personal property or operations of the municipality against any risks or
 16 hazards, including the power to pay premiums on any such insurance; and to
 17 enter into any contracts necessary to effectuate the purposes of this act:
 18 Provided, however, that no statutory provision with respect to the acquisi-
 19 tion, clearance or disposition of property by public bodies shall restrict
 20 a municipality or other public body exercising powers hereunder in the exer-
 21 cise of such functions with respect to an urban renewal project and related
 22 activities, unless the legislature shall specifically so state;

23 (d) with the approval of the local governing body, (1) prior to approval
 24 of an urban renewal plan, or approval of any modifications of the plan, to ac-
 25 quire real property in an urban renewal area, demolish and remove any struc-
 26 tures on the property, and pay all costs related to the acquisition, demoli-
 27 tion, or removal, including any administrative or relocation expenses; and
 28 (2) to assume the responsibility to bear any loss that may arise as the result
 29 of the exercise of authority under this subsection in the event that the real
 30 property is not made part of the urban renewal project;

31 (e) to invest any urban renewal funds held in reserves or sinking funds
 32 or any such funds not required for immediate disbursement, in property
 33 or securities in which ~~savings banks may legally invest funds subject to~~
 34 ~~their control~~ municipalities may legally invest funds as defined in section
 35 50-1013, Idaho Code; to redeem such bonds as have been issued pursuant to
 36 section 50-2012, Idaho Code, at the redemption price established therein
 37 or to purchase such bonds at less than redemption price, all such bonds so
 38 redeemed or purchased to be canceled;

39 (f) to borrow money and to apply for and accept advances, loans, grants,
 40 contributions and any other form of financial assistance from the federal
 41 government, the state, county, or other public body, or from any sources,
 42 public or private, for the purposes of this act, and to give such security
 43 as may be required and to enter into and carry out contracts or agreements
 44 in connection therewith; and to include in any contract for financial as-
 45 sistance with the federal government for or with respect to an urban renewal
 46 project and related activities such conditions imposed pursuant to federal
 47 laws as the municipality may deem reasonable and appropriate and which are
 48 not inconsistent with the purposes of this act;

49 (g) within its area of operation, to make or have made all surveys
 50 and plans necessary to the carrying out of the purposes of this act and to

contract with any person, public or private, in making and carrying out such plans and to adopt or approve, modify and amend such plans, which plans may include, but are not limited to: (1) plans for carrying out a program of voluntary compulsory repair and rehabilitation of buildings and improvements, (2) plans for the enforcement of state and local laws, codes and regulations relating to the use of land and the use and occupancy of buildings and improvements and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements, and (3) appraisals, title searches, surveys, studies, and other plans and work necessary to prepare for the undertaking of urban renewal projects and related activities; and to develop, test, and report methods and techniques, and carry out demonstrations and other activities, for the prevention and the elimination of slums and urban blight and developing and demonstrating new or improved means of providing housing for families and persons of low income and to apply for, accept and utilize grants of funds from the federal government for such purposes;

(h) to prepare plans for and assist in the relocation of persons (including individuals, families, business concerns, nonprofit organizations and others) displaced from an urban renewal area, and notwithstanding any statute of this state to make relocation payments to or with respect to such persons for which reimbursement or compensation is not otherwise made, including the making of such payments financed by the federal government;

(i) to exercise all or any part or combination of powers herein granted;

(j) in addition to its powers under subsection (b) of this section, an agency may construct foundations, platforms, and other like structural forms necessary for the provision or utilization of air rights sites for buildings and to be used for residential, commercial, industrial, and other uses contemplated by the urban renewal plan, and to provide utilities to the development site; ~~and~~

(k) to use, lend or invest funds obtained from the federal government for the purposes of this act if allowable under federal laws or regulations; and

(l) to disburse revenue allocation proceeds as described in section 50-2904, Idaho Code.

SECTION 4. That Section 50-2008, Idaho Code, be, and the same is hereby amended to read as follows:

50-2008. PREPARATION AND APPROVAL OF PLAN FOR URBAN RENEWAL PROJECT. (a) An urban renewal project for an urban renewal area shall not be planned or initiated unless the local governing body has, by resolution, determined such area to be a deteriorated area or a deteriorating area or a combination thereof and designated such area as appropriate for an urban renewal project.

(b) An urban renewal agency may itself prepare or cause to be prepared an urban renewal plan, or any person or agency, public or private, may submit such a plan to an urban renewal agency. Prior to its approval of an urban renewal project, the local governing body shall submit such plan to the planning commission of the municipality, if any, for review and recommendations as to its conformity with the general plan for the development of the municipality as a whole. Upon receipt of such plan, the planning commission shall provide public notice of the receipt of such plan and shall make the plan

1 available to the public. Such public notice shall be provided in a manner
 2 consistent with the public notice provision found in subsection (c) of this
 3 section. Upon receipt of the plan, the planning commission shall provide
 4 forty-five (45) days for public comment on the plan and shall take such pub-
 5 lic comment as to the conformity of the plan with the general plan of the mu-
 6 nicipality as a whole into consideration in the commission's recommendation
 7 to the local governing body regarding such plan. During the forty-five (45)
 8 day public comment period, the planning commission shall hold no fewer than
 9 one (1) public hearing to allow for public testimony regarding the submitted
 10 plan. The planning commission shall submit its written recommendations with
 11 respect to the proposed urban renewal plan to the local governing body within
 12 thirty (30) days after ~~receipt of the plan for review~~ the forty-five (45) day
 13 public comment period. Upon receipt of the recommendations of the planning
 14 commission, or if no recommendations are received within said thirty (30)
 15 days, then without such recommendations, the local governing body may pro-
 16 ceed with the hearing on the proposed urban renewal project prescribed by
 17 subsection (c) hereof.

18 (c) The local governing body shall hold a public hearing on an urban
 19 renewal project, after public notice thereof by publication in a newspaper
 20 having a general circulation in the area of operation of the municipality.
 21 The notice shall describe the time, date, place and purpose of the hearing,
 22 shall generally identify the urban renewal area covered by the plan, and
 23 shall outline the general scope of the urban renewal project under consid-
 24 eration.

25 (d) Following such hearing, the local governing body may approve an ur-
 26 ban renewal project and the plan therefor if it finds that (1) a feasible
 27 method exists for the location of families who will be displaced from the ur-
 28 ban renewal area in decent, safe and sanitary dwelling accommodations within
 29 their means and without undue hardship to such families; (2) the urban re-
 30 newal plan conforms to the general plan of the municipality as a whole; (3)
 31 the urban renewal plan gives due consideration to the provision of adequate
 32 park and recreational areas and facilities that may be desirable for neigh-
 33 borhood improvement, with special consideration for the health, safety and
 34 welfare of children residing in the general vicinity of the site covered by
 35 the plan; and (4) the urban renewal plan will afford maximum opportunity,
 36 consistent with the sound needs of the municipality as a whole, for the reha-
 37 bilitation or redevelopment of the urban renewal area by private enterprise:
 38 Provided, that if the urban renewal area consists of an area of open land to
 39 be acquired by the urban renewal agency, such area shall not be so acquired
 40 unless (1) if it is to be developed for residential uses, the local governing
 41 body shall determine that a shortage of housing of sound standards and design
 42 which is decent, safe and sanitary exists in the municipality; that the need
 43 for housing accommodations has been or will be increased as a result of the
 44 clearance of slums in other areas; that the conditions of blight in the area
 45 and the shortage of decent, safe and sanitary housing cause or contribute to
 46 an increase in and spread of disease and crime and constitute a menace to the
 47 public health, safety, morals, or welfare; and that the acquisition of the
 48 area for residential uses is an integral part of and essential to the pro-
 49 gram of the municipality, or (2) if it is to be developed for nonresidential
 50 uses, the local governing body shall determine that such nonresidential uses

are necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives, which acquisition may require the exercise of governmental action, as provided in this act, because of defective or unusual conditions of title, diversity of ownership, tax delinquency, improper subdivisions, outmoded street patterns, deterioration of site, economic disuse, unsuitable topography or faulty lot layouts, the need for the correlation of the area with other areas of a municipality by streets and modern traffic requirements, or any combination of such factors or other conditions which retard development of the area.

(e) An urban renewal plan may be modified at any time: Provided that if modified after the lease or sale by the urban renewal agency of real property in the urban renewal project area, such modification may be conditioned upon such approval of the owner, lessee or successor in interest as the urban renewal agency may deem advisable and in any event shall be subject to such rights at law or in equity as a lessee or purchaser, or his successor or successors in interest, may be entitled to assert.

(f) Upon the approval by the local governing body of an urban renewal plan or of any modification thereof, such plan or modification shall be deemed to be in full force and effect for the respective urban renewal area, and the urban renewal agency may then cause such plan or modification to be carried out in accordance with its terms.

(g) Notwithstanding any other provisions of this act, where the local governing body certifies that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm, or other catastrophe respecting which the governor of the state has certified the need for disaster assistance under Public Law 875, Eighty-first Congress, or other federal law, the local governing body may approve an urban renewal plan and an urban renewal project with respect to such area without regard to the provisions of subsection (d) of this section and the provisions of this section requiring a general plan for the municipality and a public hearing on the urban renewal project.

SECTION 5. That Section 50-2010, Idaho Code, be, and the same is hereby amended to read as follows:

50-2010. ACQUISITION OF PROPERTY. ~~(a)~~ An urban renewal agency shall have the right to acquire by negotiation or condemnation any interest in real property, including a fee simple title thereto, which it may deem necessary for or in connection with an urban renewal project and related activities under this act. An urban renewal agency may exercise the power of eminent domain in the manner now or which may be hereafter provided ~~by any other statutory provisions for the exercise of the power of eminent domain as set forth in chapter 7, title 7, Idaho Code.~~ Property already devoted to a public use may be acquired in like manner: Provided, that no real property belonging to the United States, the state, or any political subdivision of the state, may be acquired without its consent.

~~(b) In any proceeding to fix or assess compensation for damages for the taking or damaging of property, or any interest therein, through the exercise of the power of eminent domain or condemnation, evidence or testimony bearing upon the following matters shall be admissible and shall be consid~~

~~ered in fixing such compensation or damages, in addition to evidence or testimony otherwise admissible.~~

~~(1) any use, condition, occupancy, or operation of such property, which is unlawful or violative of, or subject to elimination, abatement, prohibition, or correction under, any law or any ordinance or regulatory measure of the state, county, municipality, other political subdivision, or any agency thereof, in which such property is located, as being unsafe, substandard, insanitary or otherwise contrary to the public health, safety, or welfare;~~

~~(2) the effect on the value of such property, of any such use, condition, occupancy, or operation, or of the elimination, abatement, prohibition, or correction of any such use, condition, occupancy, or operation.~~

~~(c) The foregoing testimony and evidence shall be admissible notwithstanding that no action has been taken by any public body or public officer toward the abatement, prohibition, elimination or correction of any such use, condition, occupancy, or operation. Testimony or evidence that any public body or public officer charged with the duty or authority so to do has rendered, made or issued any judgment, decree, determination or order for the abatement, prohibition, elimination or correction of any such use, condition, occupancy, or operation shall be admissible and shall be prima facie evidence of the existence and character of such use, condition or operation.~~

SECTION 6. That Section 50-2011, Idaho Code, be, and the same is hereby amended to read as follows:

50-2011. DISPOSAL OF PROPERTY IN URBAN RENEWAL AREA. (a) An urban renewal agency may sell, lease, or otherwise transfer real property or any interest therein acquired by it for an urban renewal project, and may enter into contracts with respect thereto, in an urban renewal area for residential, recreational, commercial, industrial, educational or other uses or for public use, or may retain such property or interest for public use, in accordance with the urban renewal plan, subject to such covenants, conditions and restrictions, including covenants running with the land, as it may deem to be necessary or desirable to assist in preventing the development or spread of future slums or blighted areas or to otherwise carry out the purposes of this act: Provided, that such sale, lease, other transfer, or retention, and any agreement relating thereto, may be made only after the approval of the urban renewal plan by the local governing body. The purchasers or lessees and their successors and assigns shall be obligated to devote such real property only to the uses specified in the urban renewal plan, and may be obligated to comply with such other requirements as the urban renewal agency may determine to be in the public interest, including the obligation to begin within a reasonable time any improvements on such real property required by the urban renewal plan. Such real property or interest shall be sold, leased, otherwise transferred, or retained at not less than its fair value for uses in accordance with the urban renewal plan except property disposed of by it to the community or any other public body which property must be disposed of pursuant to the provisions of subsection (f) of section 50-2015, Idaho Code, even though such fair value may be less than the cost of acquir-

ing and preparing the property for redevelopment. In determining the fair value of real property for uses in accordance with the urban renewal plan, an urban renewal agency shall take into account and give consideration to the uses provided in such plan; the restrictions upon, and the covenants, conditions and obligations assumed by the purchaser or lessee or by the urban renewal agency retaining the property; and the objectives of such plan for the prevention of the recurrence of slum or blighted areas. The urban renewal agency in any instrument of conveyance to a private purchaser or lessee may provide that such purchaser or lessee shall be without power to sell, lease or otherwise transfer the real property without the prior written consent of the urban renewal agency until he has completed the construction of any or all improvements which he has obligated himself to construct thereon. Real property acquired by an urban renewal agency which, in accordance with the provisions of the urban renewal plan, is to be transferred, shall be transferred as rapidly as feasible in the public interest consistent with the carrying out of the provisions of the urban renewal plan. Any contract for such transfer and the urban renewal plan (or such part or parts of such contract or plan as the urban renewal agency may determine) may be recorded in the land records of the county in such manner as to afford actual or constructive notice thereof.

(b) An urban renewal agency may dispose of real property in an urban renewal area to private persons only under such reasonable competitive bidding procedures as it shall prescribe or as hereinafter provided in this subsection. An urban renewal agency may, by public notice by publication in a newspaper having a general circulation in the community (thirty (30) days prior to the execution of any contract to sell, lease or otherwise transfer real property and prior to the delivery of any instrument of conveyance with respect thereto under the provisions of this section) invite proposals from and make available all pertinent information to private redevelopers or any persons interested in undertaking to redevelop or rehabilitate an urban renewal area, or any part thereof. Such notice shall identify the area, or portion thereof, and shall state that proposals shall be made by those interested within thirty (30) days after the date of publication of said notice, and that such further information as is available may be obtained at such office as shall be designated in said notice. The urban renewal agency shall consider all such redevelopment ~~of~~ or rehabilitation proposals and the financial and legal ability of the persons making such proposals to carry them out, and may negotiate with any persons for proposals for the purchase, lease or other transfer of any real property acquired by the agency in the urban renewal area. The urban renewal agency may accept such proposal as it deems to be in the public interest and in furtherance of the purposes of this act. The agency may execute such contract in accordance with the provisions of subsection (a) and deliver deeds, leases and other instruments and take all steps necessary to effectuate such contract.

(c) An urban renewal agency may temporarily operate and maintain real property acquired by it in an urban renewal area for or in connection with an urban renewal project pending the disposition of the property as authorized in this act, without regard to the provisions of subsection (a) above of this section, for such uses and purposes as may be deemed desirable even though not in conformity with the urban renewal plan.

1 (d) Any real property acquired pursuant to section 50-2007(d), Idaho
 2 Code, may be disposed of without regard to other provisions of this section
 3 if the local governing body has consented to the disposal.

4 (e) Notwithstanding any other provisions of this act, and notwith-
 5 standing subsection (b) of this section, land in an urban renewal project
 6 area designated under the urban renewal plan for residential, industrial or
 7 commercial uses may be disposed of to any public body or nonprofit corpo-
 8 ration for subsequent ~~disposition as promptly as practicable by the public~~
 9 ~~body or corporation for redevelopment~~ development in accordance with the
 10 urban renewal plan. The public body or nonprofit corporation shall begin
 11 the building of improvements within a reasonable time as the agency may
 12 determine. The public body or nonprofit corporation may elect to dispose of
 13 the land as promptly as practicable for redevelopment in accordance with the
 14 urban renewal plan, and only the purchaser from or lessee of the public body
 15 or corporation, and their assignees, shall be required to assume the obliga-
 16 tion of beginning the building of improvements within a reasonable time. Any
 17 disposition of land to a nonprofit corporation under this subsection shall
 18 be made at its fair value for uses in accordance with the urban renewal plan.
 19 Any disposition of land to a public body under this subsection shall be made
 20 pursuant to the provisions of subsection (f) of section 50-2015, Idaho Code.

21 (f) Property previously acquired or acquired by an agency for rehabil-
 22 itation and resale shall be offered for disposition within three (3) years
 23 after completion of rehabilitation, or an annual report shall be published
 24 by the agency in a newspaper of general circulation published in the commu-
 25 nity listing any rehabilitated property held by the agency in excess of such
 26 three (3) year period, stating the reasons such property remains unsold and
 27 indicating plans for its disposition.

28 SECTION 7. That Section 50-2012, Idaho Code, be, and the same is hereby
 29 amended to read as follows:

30 50-2012. ISSUANCE OF BONDS. (a) An urban renewal agency shall have
 31 power to issue bonds from time to time in its discretion to finance the
 32 undertaking of any urban renewal project under this act, including, without
 33 limiting the generality thereof, the payment of principal and interest
 34 upon any advances for surveys and plans or preliminary loans, and shall
 35 also have power to issue refunding bonds for the payment or retirement of
 36 such bonds previously issued by it. Such bonds shall be made payable, as to
 37 both principal and interest, solely from the income, proceeds, revenues,
 38 and funds of the urban renewal agency derived from or held in connection
 39 with its undertaking and carrying out of urban renewal projects under this
 40 act: Provided, however, that payment of such bonds, both as to principal
 41 and interest, may be further secured by a pledge of any loan, grant or
 42 contribution from the federal government or other source, in aid of any urban
 43 renewal projects under this act, and by a mortgage of any such urban renewal
 44 projects, or any part thereof, title to which is in the urban renewal agency.

45 (b) Bonds issued under this section shall not constitute an indebted-
 46 ness within the meaning of any constitutional or statutory debt limitation
 47 or restriction, and shall not be subject to the provisions of any other law or
 48 charter relating to the authorization, issuance or sale of bonds. Bonds and
 49 other obligations of an urban renewal agency (and such bonds and obligations

shall so state on their face) shall not be a debt of the municipality, the state or any political subdivision thereof, and neither the municipality, the state nor any political subdivision thereof shall be liable thereon, nor in any event shall such bonds or obligations be payable out of any funds other than those of said urban renewal agency. Bonds issued under the provisions of this act are declared to be issued for an essential public and governmental purpose and, together with interest thereon and income therefrom, shall be exempted from all taxes.

(c) Bonds issued under this section shall be authorized by resolution or ordinance of the urban renewal agency and may be issued in one (1) or more series and shall bear such date or dates, be payable upon demand or mature at such time, or times, bear interest at a rate or rates, be in such denomination or denominations, be in such form either with or without coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of repayment, at such place or places, and be subject to such terms of redemption (with or without premium), be secured in such manner, and have such other characteristics, as may be provided by such resolution or ordinance, or trust indenture or mortgage issued pursuant thereto.

(d) Such bonds may be sold at ~~not less than par at public~~ sales or private sales or placements held after notice published prior to such sale in a newspaper having a general circulation in the area of operation and in such other medium of publication as the agency may determine or may be exchanged for other bonds ~~on the basis of par:~~ for such price or prices as determined by the agency. Such notice does not need to contain information regarding the price of the bonds; ~~provided, that such bonds may be sold to the federal government at private sale at not less than par or placement for such price or prices as determined by the agency,~~ and, in the event less than all of the authorized principal amount on such bonds is sold to the federal government, the balance may be sold at private sale ~~at not less than par at an interest cost to the agency of not to exceed the interest cost to the agency of the portion of the bonds sold to the federal government~~ or placement for such price or prices as determined by the agency.

(e) In case any of the officials of the urban renewal agency whose signatures appear on any bonds or coupons issued under this act shall cease to be such officials before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such officials had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this act shall be fully negotiable.

(f) In any suit, action or proceeding involving the validity or enforceability of any bond issued under this act or the security therefor, any such bond reciting in substance that it has been issued by the agency in connection with an urban renewal project, as herein defined, shall be conclusively deemed to have been issued for such purpose and such project shall be conclusively deemed to have been planned, located and carried out in accordance with the provisions of this act.

SECTION 8. That Section 50-2017, Idaho Code, be, and the same is hereby amended to read as follows:

1 50-2017. INTERESTED PUBLIC OFFICIALS, COMMISSIONERS OR EMPLOYEES. ~~No~~
2 ~~public official or employee of a municipality (or board or commission~~
3 ~~thereof), and no commissioner or employee of an urban renewal agency shall~~
4 ~~voluntarily acquire any personal interest, direct or indirect, in any urban~~
5 ~~renewal project, or in any property included or planned to be included~~
6 ~~in any urban renewal project in such municipality or in any contract or~~
7 ~~proposed contract in connection with such urban renewal project. Where such~~
8 ~~acquisition is not voluntary, the interest acquired shall be immediately~~
9 ~~disclosed in writing to the agency and such disclosure shall be entered upon~~
10 ~~the minutes of the agency. If any such official, commissioner or employee~~
11 ~~presently owns or controls, or owned or controlled within the preceding~~
12 ~~two (2) years, any interest, direct or indirect, in any property which he~~
13 ~~knows is included or planned to be included in an urban renewal project,~~
14 ~~he shall immediately disclose this fact in writing to the agency, and such~~
15 ~~disclosure shall be entered upon the minutes of the agency, and any such~~
16 ~~official, commissioner or employee shall not participate in any action by~~
17 ~~the municipality (or board or commission thereof), or urban renewal agency~~
18 ~~affecting such property. Any violation of the provisions of this section~~
19 ~~shall constitute misconduct in office (1) All commissioners and employees of~~
20 ~~the urban renewal agency are subject to chapter 2, title 59, Idaho Code, and~~
21 ~~chapter 7, title 59, Idaho Code.~~

22 (2) A commissioner shall not be prohibited from having an interest in
23 any contract made or entered into by the agency, if he strictly observes the
24 procedure set out in section 18-1361A, Idaho Code.

25 SECTION 9. That Section 50-2027, Idaho Code, be, and the same is hereby
26 amended to read as follows:

27 50-2027. LIMITATIONS ON REVIEW OF ADOPTION OR MODIFICATION OF PLAN,
28 AND ISSUANCE OF BONDS. (1) No direct or collateral action attacking or oth-
29 erwise questioning the validity of any urban renewal plan, project or modi-
30 fication thereto (including one (1) containing a revenue allocation provi-
31 sion), or the adoption or approval of such plan, project or modification, or
32 any of the findings or determinations of the agency or the local governing
33 body in connection with such plan, project or modification, shall be brought
34 prior to the effective date of the ordinance adopting or modifying the plan.
35 No direct or collateral action attacking or otherwise questioning the va-
36 lidity of bonds issued pursuant to section 50-2012, Idaho Code, ~~or section~~
37 ~~50-2026(a), Idaho Code,~~ shall be brought prior to the effective date of the
38 resolution or ordinance authorizing such bonds.

39 (2) For a period of ~~thirty~~ forty-five (3045) days after the effective
40 date of the ordinance or resolution, any person in interest shall have the
41 right to contest the legality of such ordinance, resolution or proceeding
42 or any bonds which may be authorized thereby. No contest or proceeding to
43 question the validity or legality of any ordinance, resolution or proceed-
44 ing, or any bonds which may be authorized thereby, passed or adopted under
45 the provisions of this chapter shall be brought in any court by any person for
46 any cause whatsoever, after the expiration of ~~thirty~~ forty-five (3045) days
47 from the effective date of the ordinance, resolution or proceeding, and af-
48 ter such time the validity, legality and regularity of such ordinance, res-
49 olution or proceeding or any bonds authorized thereby shall be conclusively

1 presumed. If the question of the validity of any adopted plan or bonds is-
 2 sued pursuant to this chapter is not raised within ~~thirty~~ forty-five (3045)
 3 days from the effective date of the ordinance, resolution or ~~preceeding pro-~~
 4 ~~ceeding~~ issuing said bonds and fixing their terms, the authority of the plan,
 5 the authority adopting the plan, or the authority to issue the bonds, and the
 6 legality thereof, the same shall be conclusively presumed and no court shall
 7 thereafter have authority to inquire into such matters.

8 SECTION 10. That Chapter 20, Title 50, Idaho Code, be, and the same is
 9 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
 10 ignated as Section 50-2033, Idaho Code, and to read as follows:

11 50-2033. PROHIBITED AMENDMENT. Except for consolidation of revenue
 12 allocation areas, a revenue allocation area may not be amended to extend
 13 its boundaries. An amendment to an urban renewal plan created under this
 14 chapter that does not seek to increase the geographic area of the plan, or
 15 does not seek to extend the years of the plan, is not a prohibited amendment.
 16 No amendment to an existing revenue allocation area shall be interpreted to
 17 or shall cause an extension of the limitations established for the existing
 18 revenue allocation area as set forth in section 50-2904, Idaho Code.

19 SECTION 11. That Chapter 20, Title 50, Idaho Code, be, and the same is
 20 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
 21 ignated as Section 50-2035, Idaho Code, and to read as follows:

22 50-2035. TAX AND SPECIAL ASSESSMENT EXEMPTIONS. The property of an ur-
 23 ban renewal agency is declared to be public property used for essential pub-
 24 lic purposes and such property and an agency shall be exempt from all taxes
 25 and special assessments of the city, the county, the state or any political
 26 subdivision thereof.

27 SECTION 12. That Section 50-2903, Idaho Code, be, and the same is hereby
 28 amended to read as follows:

29 50-2903. DEFINITIONS. The following terms used in this chapter shall
 30 have the following meanings, unless the context otherwise requires:

31 (1) "Act" or "this act" means this revenue allocation act.

32 (2) "Agency" or "urban renewal agency" means a public body created pur-
 33 suant to section 50-2006, Idaho Code.

34 (3) "Authorized municipality" or "municipality" means any county or
 35 incorporated city which has established an urban renewal agency, or by
 36 ordinance has identified and created a competitively disadvantaged border
 37 community.

38 (4) "Base assessment roll" means the equalized assessment rolls, for
 39 all classes of taxable property, on January 1 of the year in which the local
 40 governing body of an authorized municipality passes an ordinance adopting
 41 or modifying an urban renewal plan containing a revenue allocation financing
 42 provision, except that the base assessment roll shall be adjusted as fol-
 43 lows: the equalized assessment valuation of the taxable property in a rev-
 44 enue allocation area as shown upon the base assessment roll shall be reduced
 45 by the amount by which the equalized assessed valuation as shown on the base

assessment roll exceeds the current equalized assessed valuation of any taxable property located in the revenue allocation area, and by the equalized assessed valuation of taxable property in such revenue allocation area that becomes exempt from taxation subsequent to the date of the base assessment roll. The equalized assessed valuation of the taxable property in a revenue allocation area as shown on the base assessment roll shall be increased by the equalized assessed valuation, as of the date of the base assessment roll, of taxable property in such revenue allocation area that becomes taxable after the date of the base assessment roll.

(5) "Budget" means an annual estimate of revenues and expenses for the following fiscal year of the agency. An agency shall, by September ~~1~~³⁰ of each calendar year, of each calendar year, adopt and publish, as described in section 50-1002, Idaho Code, a budget for the next fiscal year. An agency may amend its adopted budget using the same procedures as used for adoption of the budget. For the fiscal year that immediately predates the termination date for an urban renewal plan involving a revenue allocation area or will include the termination date, the agency shall, by September 1 of each calendar year, adopt and publish a budget specifically for the projected revenues and expenses of the plan and make a determination as to whether the revenue allocation area can be terminated before the January 1 of the termination year pursuant to the terms of section 50-2909(4), Idaho Code. In the event that the agency determines that current tax year revenues are sufficient to cover all estimated expenses for the current year and all future years, by September 1 the agency shall adopt a resolution advising and notifying the local governing body, the county auditor, and the state tax commission and recommending the adoption of an ordinance for termination of the revenue allocation area by December 31 of the current year and declaring a surplus to be distributed as described in section 50-2909, Idaho Code, should a surplus be determined to exist. The agency shall cause the ordinance to be filed with the office of the county recorder and the Idaho state tax commission as provided in section 63-215, Idaho Code. Upon notification of revenues sufficient to cover expenses as provided herein, the increment value of that revenue allocation area shall be included in the net taxable value of the appropriate taxing districts when calculating the subsequent property tax levies pursuant to section 63-803, Idaho Code. The increment value shall also be included in subsequent notification of taxable value for each taxing district pursuant to section 63-1312, Idaho Code, and subsequent certification of actual and adjusted market values for each school district pursuant to section 63-315, Idaho Code.

(6) "Clerk" means the clerk of the municipality.

(7) "Competitively disadvantaged border community area" means a parcel of land consisting of at least forty (40) acres which is situated within the jurisdiction of a county or an incorporated city and within twenty-five (25) miles of a state or international border, which the governing body of such county or incorporated city has determined by ordinance is disadvantaged in its ability to attract business, private investment, or commercial development, as a result of a competitive advantage in the adjacent state or nation resulting from inequities or disparities in comparative sales taxes, income taxes, property taxes, population or unique geographic features.

(8) "Deteriorated area" means:

(a) Any area, including a slum area, in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare; or

(b) Any area which by reason of the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, results in economic underdevelopment of the area, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use; or

(c) Any area which is predominately open and which because of obsolete platting, diversity of ownership, deterioration of structures or improvements, or otherwise, results in economic underdevelopment of the area or substantially impairs or arrests the sound growth of a municipality. The provisions of section 50-2008(d), Idaho Code, shall apply to open areas; or

(d) Any area which the local governing body certifies is in need of redevelopment or rehabilitation as a result of a flood, storm, earthquake, or other natural disaster or catastrophe respecting which the governor of the state has certified the need for disaster assistance under any federal law; or

(e) Any area which by reason of its proximity to the border of an adjacent state is competitively disadvantaged in its ability to attract private investment, business or commercial development which would promote the purposes of this chapter; or

(f) "Deteriorated area" does not mean vacant or unimproved land, land not developed beyond agricultural or forestry use, or any agricultural operation as defined in section 22-4502(1), Idaho Code, unless the owner of the open land or agricultural operation gives written consent to be included in the deteriorated area, except for an agricultural operation that has not been used for three (3) consecutive years.

(9) "Facilities" means land, rights in land, buildings, structures, machinery, landscaping, extension of utility services, approaches, roadways and parking, handling and storage areas, and similar auxiliary and related facilities.

(10) "Increment value" means the total value calculated by summing the differences between the current equalized value of each taxable property in

1 the revenue allocation area and that property's current base value on the
 2 base assessment roll, provided such difference is a positive value.

3 (11) "Local governing body" means the city council or board of county
 4 commissioners of a municipality.

5 (12) "Plan" or "urban renewal plan" means a plan, as it exists or may
 6 from time to time be amended, prepared and approved pursuant to section
 7 50-2008, Idaho Code, and any method or methods of financing such plan, which
 8 methods may include revenue allocation financing provisions.

9 (13) "Project" or "urban renewal project" or "competitively disadvan-
 10 tagged border areas" may include undertakings and activities of a municipal-
 11 ity in an urban renewal area for the elimination of deteriorated or deterio-
 12 rating areas and for the prevention of the development or spread of slums and
 13 blight, and may involve slum clearance and redevelopment in an urban renewal
 14 area, or rehabilitation or conservation in an urban renewal area, or any com-
 15 bination or part thereof in accordance with an urban renewal plan. Such un-
 16 der takings and activities may include:

17 (a) Acquisition of a deteriorated area or a deteriorating area or por-
 18 tion thereof;

19 (b) Demolition and removal of buildings and improvement;

20 (c) Installation, construction, or reconstruction of streets, utili-
 21 ties, parks, playgrounds, open space, off-street parking facilities,
 22 public facilities, public recreation and entertainment facilities or
 23 buildings and other improvements necessary for carrying out, in the ur-
 24 ban renewal area or competitively disadvantaged border community area,
 25 the urban renewal objectives of this act in accordance with the urban
 26 renewal plan or the competitively disadvantaged border community area
 27 ordinance.

28 (d) Disposition of any property acquired in the urban renewal area or
 29 the competitively disadvantaged border community area (including sale,
 30 initial leasing or retention by the agency itself) or the municipality
 31 creating the competitively disadvantaged border community area at its
 32 fair value for uses in accordance with the urban renewal plan except for
 33 disposition of property to another public body;

34 (e) Carrying out plans for a program of voluntary or compulsory repair
 35 and rehabilitation of buildings or other improvements in accordance
 36 with the urban renewal plan;

37 (f) Acquisition of real property in the urban renewal area or the com-
 38 petitively disadvantaged border community area which, under the urban
 39 renewal plan, is to be repaired or rehabilitated for dwelling use or re-
 40 lated facilities, repair or rehabilitation of the structures for guid-
 41 ance purposes, and resale of the property;

42 (g) Acquisition of any other real property in the urban renewal area
 43 or competitively disadvantaged border community area where necessary
 44 to eliminate unhealthful, insanitary or unsafe conditions, lessen den-
 45 sity, eliminate obsolete or other uses detrimental to the public wel-
 46 fare, or otherwise to remove or to prevent the spread of blight or de-
 47 terioration, or to provide land for needed public facilities or where
 48 necessary to accomplish the purposes for which a competitively disad-
 49 vantaged border community area was created by ordinance;

50 (h) Lending or investing federal funds; and

1 (i) Construction of foundations, platforms and other like structural
2 forms.

3 (14) "Project costs" includes, but is not limited to:

4 (a) Capital costs, including the actual costs of the construction of
5 public works or improvements, facilities, buildings, structures, and
6 permanent fixtures; the demolition, alteration, remodeling, repair or
7 reconstruction of existing buildings, structures, and permanent fix-
8 tures; the acquisition of equipment; and the clearing and grading of
9 land;

10 (b) Financing costs, including interest during construction and capi-
11 talized debt service or repair and replacement or other appropriate re-
12 serves;

13 (c) Real property assembly costs, meaning any deficit incurred from the
14 sale or lease by a municipality of real or personal property within a
15 revenue allocation district;

16 (d) Professional service costs, including those costs incurred for ar-
17 chitectural, planning, engineering, and legal advice and services;

18 (e) Direct administrative costs, including reasonable charges for the
19 time spent by municipal employees in connection with the implementation
20 of a project plan;

21 (f) Relocation costs;

22 (g) Other costs incidental to any of the foregoing costs.

23 (15) "Revenue allocation area" means that portion of an urban renewal
24 area or competitively disadvantaged border community area where the equal-
25 ized assessed valuation (as shown by the taxable property assessment rolls)
26 of which the local governing body has determined, on and as a part of an ur-
27 ban renewal plan, is likely to increase as a result of the initiation of an
28 urban renewal project or competitively disadvantaged border community area.
29 The base assessment roll or rolls of revenue allocation area or areas shall
30 not exceed at any the time the revenue allocation area is adopted ten percent
31 (10%) of the current assessed valuation of all taxable property within the
32 municipality.

33 (16) "State" means the state of Idaho.

34 (17) "Tax" or "taxes" means all property tax levies upon taxable prop-
35 erty.

36 (18) "Taxable property" means taxable real property, personal prop-
37 erty, operating property, or any other tangible or intangible property
38 included on the equalized assessment rolls.

39 (19) "Taxing district" means a taxing district as defined in section
40 63-201, Idaho Code, as that section now exists or may hereafter be amended.

41 (20) "Termination date" means a specific date no later than twenty-~~four~~
42 (~~24~~20) years from the effective date of an urban renewal plan or as described
43 in section 50-2904, Idaho Code, on which date the plan shall terminate. Ev-
44 ery urban renewal plan shall have a termination date that can be modified or
45 extended subject to the twenty-~~four~~ (~~24~~20) year maximum limitation. Pro-
46 vided however, the duration of a revenue allocation financing provision may
47 be extended as provided in section 50-2904, Idaho Code.

48 SECTION 13. That Section 50-2904, Idaho Code, be, and the same is hereby
49 amended to read as follows:

50-2904. AUTHORITY TO CREATE REVENUE ALLOCATION AREA. An authorized municipality is hereby authorized and empowered to adopt, at any time, a revenue allocation financing provision, as described in this chapter, as part of an urban renewal plan or competitively disadvantaged border community area ordinance. A revenue allocation financing provision may be adopted either at the time of the original adoption of an urban renewal plan or the creation by ordinance of a competitively disadvantaged border community area or thereafter as a modification of an urban renewal plan or the ordinance creating the competitively disadvantaged border community area. Urban renewal plans existing prior to the effective date of this section may be modified to include a revenue allocation financing provision. Except as provided in subsections (1), (2) and (3) of this section, no revenue allocation provision of an urban renewal plan or competitively disadvantaged border community area ordinance, including all amendments thereto, shall have a duration exceeding twenty~~four~~ (24~~0~~) years from the date the ordinance is approved by the municipality; and provided further, no additions to the land area of an existing revenue allocation area shall be ~~interpreted to or shall cause an extension of the date of the twenty four (24) year limit that was originally established for the revenue allocation area.~~ Notwithstanding these limitations, allowed. Any annual urban renewal area revenues collected that exceed the amount necessary for the urban renewal agency to meet its existing financial obligations, including those incurred under the urban renewal plan, competitively disadvantaged border community area ordinance, revenue allocation bonds, agreements or other financial obligations of the urban renewal agency shall be disbursed to the taxing districts on a pro rata basis. For purposes of this section the term "financial obligations" shall mean contract obligations and the improvements or projects identified by the urban renewal agency within the urban renewal plan. The duration of the revenue allocation financing provision may be extended if:

(1) The maturity date of any bonds issued to provide funds for a specific project in the revenue allocation area and payable from the revenue allocation financing provision exceeds the duration of the revenue allocation financing provision, provided such bond maturity is not greater than ~~thirty~~ twenty (20) years; or

(2) The urban renewal agency determines that it is necessary to refinance outstanding bonds payable from the revenue allocation financing provision to a maturity exceeding the ~~twenty-four~~ (24~~0~~) year duration of the revenue allocation financing provision in order to avoid a default on the bonds; or

(3) The local governing body has adopted an urban renewal plan or competitively disadvantaged border community area ordinance or an amendment to an urban renewal plan or competitively disadvantaged border community area ordinance prior to July 1, 2000, in which is defined the duration of the plan beyond a period of ~~twenty-four~~ (24~~0~~) years, in which case the revenue allocation provision shall have a duration as described in such urban renewal plan or competitively disadvantaged border community area ordinance; and

(4) During the extensions set forth in subsections (1) and (2) of this section, any revenue allocation area revenues exceeding the amount necessary to repay the bonds during the period exceeding the ~~twenty-four~~

1 (240) year maturity of the revenue allocation financing provision shall be
 2 returned to the taxing districts in the revenue allocation area on a pro rata
 3 basis.

4 (5) The local governing body has adopted an urban renewal plan or com-
 5 petitively disadvantaged border community area ordinance or an amendment to
 6 an urban renewal plan or competitively disadvantaged border community area
 7 ordinance after July 1, 2000, and prior to July 1, 2010, in which is defined
 8 the duration of the plan beyond a period of twenty (20) years and not to ex-
 9 ceed twenty-four (24) years. The duration of the revenue allocation financ-
 10 ing provision may be extended if:

11 (a) The maturity date of any bonds issued to provide funds for a
 12 specific project in the revenue allocation area and payable from the
 13 revenue allocation financing provision exceeds the duration of the
 14 revenue allocation financing provision, provided such bond maturity is
 15 not greater than twenty-four (24) years; or

16 (b) The urban renewal agency determines that it is necessary to refi-
 17 nance outstanding bonds payable from the revenue allocation financing
 18 provision to a maturity exceeding the twenty-four (24) year duration of
 19 the revenue allocation financing provision in order to avoid a default
 20 on the bonds.

21 SECTION 14. That Section 50-2905, Idaho Code, be, and the same is hereby
 22 amended to read as follows:

23 50-2905. RECOMMENDATION OF URBAN RENEWAL AGENCY. In order to imple-
 24 ment the provisions of this chapter, the urban renewal agency of the munic-
 25 ipality shall prepare and adopt a plan for each revenue allocation area and
 26 submit the plan and recommendation for approval thereof to the local govern-
 27 ing body. The plan shall include ~~a statement listing:~~

28 (1) A statement describing the value of the base assessment roll of
 29 the revenue allocation area and the total assessed valuation of all taxable
 30 property within the municipality.

31 (2) A statement listing the kind, number, and location of all proposed
 32 public works or improvements within the revenue allocation area;

33 (23) An economic feasibility study;

34 (34) A detailed list of estimated project costs;

35 (45) A fiscal impact statement showing the impact of the revenue allo-
 36 cation area, both until and after the bonds are repaid, upon all taxing dis-
 37 tricts levying taxes upon property on the revenue allocation area; and

38 (56) A description of the methods of financing all estimated project
 39 costs and the time when related costs or monetary obligations are to be in-
 40 curring.

41 (67) A termination date for the plan and the revenue allocation area as
 42 provided for in section 50-2903(20), Idaho Code. In determining the termi-
 43 nation date, the plan shall recognize that the agency shall receive alloca-
 44 tion of revenues in the calendar year following the last year of the revenue
 45 allocation provision described in the urban renewal plan.

46 (78) A description of the disposition or retention of any assets of the
 47 agency upon the termination date. Provided however, nothing herein shall
 48 prevent the agency from retaining assets or revenues generated from such as-

sets as long as the agency shall have resources other than revenue allocation funds to operate and manage such assets.

SECTION 15. That Section 50-2906, Idaho Code, be, and the same is hereby amended to read as follows:

50-2906. PUBLIC HEARING AND ORDINANCE REQUIRED. (1) To adopt a new urban renewal plan or create a competitively disadvantaged border community area containing a revenue allocation financing provision or modification to such plan, the local governing body of an authorized municipality must enact an ordinance in accordance with chapter 9, title 50, Idaho Code, and section 50-2008, Idaho Code. To modify an existing urban renewal plan, to add or change a revenue allocation, an authorized municipality must enact an ordinance in accordance with chapter 9, title 50, Idaho Code, and conduct a public hearing in a manner consistent with the provisions relating to a public hearing as provided in section 50-2008 (e), Idaho Code. No urban renewal project, plan, competitively disadvantaged border community area or modification thereto, or revenue allocation financial provision shall be held ineffective for failure to comply with the requirements of this section if compliance with the section is substantial and in good faith and administrative authority of both the local governing body and urban renewal agency does not extend beyond the municipal boundary of the authorized municipality. Urban renewal plans and revenue allocation financing provisions may be held ineffective if an urban renewal area or revenue allocation area extends outside the municipal boundary of an authorized municipality and a transfer of powers ordinance has not been adopted by the cooperating county.

(2) A revenue allocation financing provision adopted in accordance with this chapter shall be effective retroactively to January 1 of the year in which the local governing body of the authorized municipality enacts such ordinance.

(3) At the time that an urban renewal plan or modification thereof or a competitively disadvantaged border community area proposal is received by the local governing body of an authorized municipality, such body shall prepare a notice stating: (a) that an urban renewal plan or modification thereto or a competitively disadvantaged border community area has been proposed and is being considered for adoption, and that such plan or modification thereto or proposal to create a competitively disadvantaged border community area contains a revenue allocation financing provision that will cause property taxes resulting from any increases in equalized assessed valuation in excess of the equalized assessed valuation as shown on the base assessment roll to be allocated to the agency for urban renewal and competitively disadvantaged border community area purposes; and (b) that an agreement on administration of a revenue allocation financing provision extending beyond the municipal boundary of the authorized municipality has been negotiated with the cooperating county having extraterritorial power and that the agreement has been formalized by a transfer of power ordinance adopted by that county; and (c) that a public hearing on such plan or modification will be held by the local governing body pursuant to section 50-2008(c), Idaho Code. The notice shall also state the time, date, and place of the hearing. At least thirty (30) days but not more than sixty (60) days prior to the date set for final reading of the ordinance, the local gov-

erning body shall publish the notice in a newspaper of general circulation and transmit the notice, together with a copy of the plan and recommendation of the urban renewal agency or the municipality which by ordinance created the competitively disadvantaged border community area, to the governing body of each taxing district which levies taxes upon any taxable property in the revenue allocation area and which would be affected by the revenue allocation financing provision of the urban renewal plan proposed to be approved by the local governing body.

SECTION 16. That Section 50-2907, Idaho Code, be, and the same is hereby amended to read as follows:

50-2907. TRANSMITTAL OF REVENUE ALLOCATION AREA DESCRIPTION AND OTHER DOCUMENTS TO TAXING AGENCIES. (1) After the effective date of an ordinance enacted by the local governing body of an authorized municipality, the clerk of the authorized municipality shall transmit, to the county auditor and tax assessor of the county in which the revenue allocation area is located, to the affected taxing districts, and to the state tax commission, a copy of the ordinance enacted, a copy of the legal description of the boundaries of the revenue allocation area, and a map indicating the boundaries of the revenue allocation area.

(2) For revenue allocation areas extending beyond the corporate municipal boundary of the authorized municipality, the copy of the ordinance enacted by the authorized municipality shall include, as an attachment, a copy of the transfer of powers ordinance adopted by the cooperating county under section 50-2906(3) (b), Idaho Code.

(3) Such documents required by subsections (1) and (2) of this section shall be transmitted within the time required by section 63-215, Idaho Code.

SECTION 17. That Section 50-2908, Idaho Code, be, and the same is hereby amended to read as follows:

50-2908. DETERMINATION OF TAX LEVIES -- CREATION OF SPECIAL FUND. (1) For purposes of calculating the rate at which taxes shall be levied by or for each taxing district in which a revenue allocation area is located, the county commissioners shall, with respect to the taxable property located in such revenue allocation area, use the equalized assessed value of such taxable property as shown on the base assessment roll rather than on the current equalized assessed valuation of such taxable property, except the current equalized assessed valuation shall be used for calculating the tax rate for:

(a) Levies for refunds and credits pursuant to section 63-1305, Idaho Code, and any judgment pursuant to section 33-802(1), Idaho Code, certified after December 31, 2007;

(b) Levies permitted pursuant to section 63-802(3), Idaho Code, certified after December 31, 2007;

(c) Levies for voter approved general obligation bonds of any taxing district and plant facility reserve fund levies passed after December 31, 2007;

(d) Levies set forth in paragraphs (1) (a) through (c) of this subsection, first certified prior to December 31, 2007, when the property affected by said levies is included within the boundaries of a revenue al-

1 location area by ~~a change in an amendment to the boundaries of either the~~
 2 ~~revenue allocation area or~~ any taxing district after December 31, 2007;
 3 and

4 (e) School levies for supplemental maintenance and operation pursuant
 5 to section 33-802(3) and (4), Idaho Code, approved after December 31,
 6 2007.

7 (2) With respect to each such taxing district, the tax rate calculated
 8 under subsection (1) of this section shall be applied to the current equal-
 9 ized assessed valuation of all taxable property in the taxing district, in-
 10 cluding the taxable property in the revenue allocation area. The tax rev-
 11 enues thereby produced shall be allocated as follows:

12 (a) To the taxing district shall be allocated and shall be paid by the
 13 county treasurer:

14 (i) All taxes levied by the taxing district or on its behalf on
 15 taxable property located within the taxing district but outside
 16 the revenue allocation area;

17 (ii) A portion of the taxes levied by the taxing district or on its
 18 behalf on the taxable property located within the revenue allo-
 19 cation area, which portion is the amount produced by applying the
 20 taxing district's tax rate determined under subsection (1) of this
 21 section to the equalized assessed valuation, as shown on the base
 22 assessment roll, of the taxable property located within the rev-
 23 enue allocation area; and

24 (iii) All taxes levied by the taxing district to satisfy obliga-
 25 tions specified in subsection (1) (a) through (e) of this section.

26 (b) To the urban renewal agency shall be allocated the balance, if any,
 27 of the taxes levied on the taxable property located within the revenue
 28 allocation area.

29 (3) Upon enactment of an ordinance adopting a revenue allocation fi-
 30 nancing provision as part of an urban renewal plan, the urban renewal agency
 31 shall create a special fund or funds to be used for the purposes enumerated
 32 in this chapter. The revenues allocated to the urban renewal agency pursuant
 33 to this chapter, shall be paid to the agency by the treasurer of the county
 34 in which the revenue allocation district is located and shall be deposited by
 35 the agency into one (1) or more of such special funds. The agency may, in ad-
 36 dition, deposit into such special fund or funds such other income, proceeds,
 37 revenues and funds it may receive from sources other than the revenues allo-
 38 cated to it under subsection (2) (b) of this section.

39 (4) For the purposes of section 63-803, Idaho Code, during the period
 40 when revenue allocation under this chapter is in effect, and solely with re-
 41 spect to any taxing district in which a revenue allocation area is located,
 42 the county commissioners shall, in fixing any tax levy other than the levy
 43 specified in subsection (1) (a) through (e) of this section, take into con-
 44 sideration the equalized assessed valuation of the taxable property situ-
 45 ated in the revenue allocation area as shown in the base assessment roll,
 46 rather than the current equalized assessed value of such taxable property.

47 (5) For all other purposes, including, without limitation, for pur-
 48 poses of sections 33-802, 33-1002 and 63-1313, Idaho Code, reference in the
 49 Idaho Code to the term "market value for assessment purposes" (or any other

1 such similar term) shall mean market value for assessment purposes as de-
 2 fined in section 63-208, Idaho Code.

3 SECTION 18. That Section 50-2911, Idaho Code, be, and the same is hereby
 4 amended to read as follows:

5 50-2911. LIMITATIONS ON REVIEW. (1) No direct or collateral action
 6 attacking or otherwise questioning the validity of any urban renewal plan,
 7 project or modification thereto (including one (1) containing a revenue
 8 allocation provision), or the adoption or approval of such plan, project or
 9 modification, or any of the findings or determinations of the agency or the
 10 local governing body in connection with such plan, project or modification,
 11 shall be brought prior to the effective date of the ordinance adopting or
 12 modifying the plan. No direct or collateral action attacking or otherwise
 13 questioning the validity of bonds issued pursuant to section 50-2909, Idaho
 14 Code, shall be brought prior to the effective date of the resolution or
 15 ordinance authorizing such bonds.

16 (2) For a period of ~~thirty~~ forty-five (~~30~~45) days after the effective
 17 date of the ordinance or resolution, any person in interest shall have the
 18 right to contest the legality of such ordinance, resolution or proceeding
 19 or any bonds which may be authorized thereby. No contest or proceeding to
 20 question the validity or legality of any ordinance, resolution or proceed-
 21 ing, or any bonds which may be authorized thereby, passed or adopted under
 22 the provisions of this chapter shall be brought in any court by any person for
 23 any cause whatsoever, after the expiration of ~~thirty~~ forty-five (~~30~~45) days
 24 from the effective date of the ordinance, resolution or proceeding, and af-
 25 ter such time the validity, legality and regularity of such ordinance, res-
 26 olution or proceeding or any bonds authorized thereby shall be conclusively
 27 presumed. If the question of the validity of any adopted plan or bonds issued
 28 pursuant to this chapter is not raised within ~~thirty~~ forty-five (~~30~~45) days
 29 from the effective date of the ordinance, resolution or proceeding issuing
 30 said bonds and fixing their terms, the authority of the plan, the author-
 31 ity adopting the plan, or the authority to issue the bonds, and the legality
 32 thereof, the same shall be conclusively presumed and no court shall there-
 33 after have authority to inquire into such matters.

34 SECTION 19. SEVERABILITY. The provisions of this act are hereby de-
 35 clared to be severable and if any provision of this act or the application
 36 of such provision to any person or circumstance is declared invalid for any
 37 reason, such declaration shall not affect the validity of the remaining
 38 portions of this act.

39 SECTION 20. Section 1 and Sections 3 through 19 of this act shall be in
 40 full force and effect on and after July 1, 2010. Section 2 of this act shall
 41 be in full force and effect on and after January 1, 2011.